ISLANDS TRUST

1999 – 2000 Annual Report
2000 – 2001 Annual Report

TABLE OF CONTENTS

ANNUAL REPORT 1999 - 2000

Trust Area Map, Organization and Responsibilities 3

Message from the Chair 6

Message from the Trust Fund Board Chair 7

Message from the Executive Director 8

Trustees of the Islands Trust 9

Legislative Structure of the Islands Trust 11

Accomplishments 12

Appendices 20

Audited Financial Statements

Islands Trust 20

Islands Trust Fund 27

ANNUAL REPORT 2000 - 2001

Message from the Chair 34

Message from the Trust Fund Board Chair 35

Message from the Executive Director 36

Trustees of the Islands Trust 37

Accomplishments 38

Appendices 46

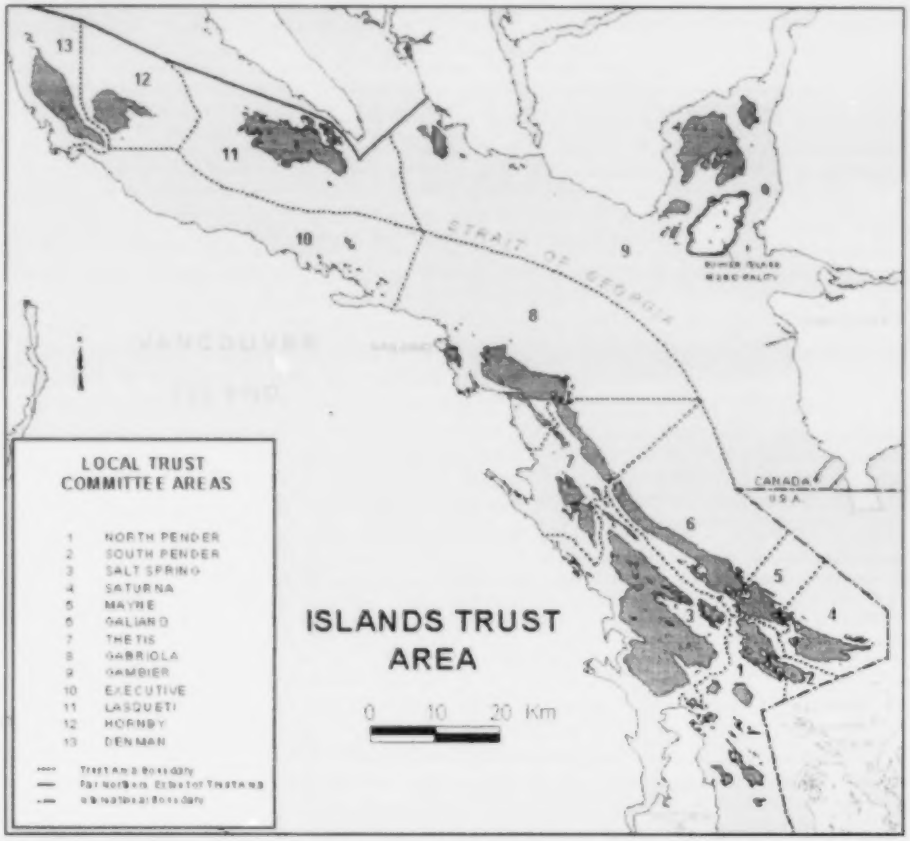
Audited Financial Statements

Islands Trust 46

Islands Trust Fund 59

Cover photos: *clockwise from top Medicine Beach Nature Sanctuary, Pender Island; Sea Blush, Garry Oaks, Retreat Island; Scarlet Tanager; Kwel Sanctuary, Lasqueti Island.*
Additional Photos: page 6 - Gambier Island; page 7 - Pileated woodpecker; page 9 - Phantom Orchid; page 35 - Brooks Point Regional Park, South Pender Island; page 36 - Great Blue Heron; page 38 - Oak tree; page 44 - South Winchelsea Island.

TRUST AREA MAP



The Trust Area includes all land, other than First Nation's reserve land, on all islands and the water in between these islands except foreshore areas of local governments on Vancouver Island and the mainland. Size: 5,178 kilometres. Population: 23,000.

Located in the Strait of Georgia and Howe Sound, the trust area is a unique and special place – a scenic archipelago of 13 larger islands and more than 450 smaller ones. The area provides habitats for an exceptional variety of species: more than 200 types of migratory and resident birds, numerous species of fish, and diverse marine and intertidal life, terrestrial wildlife and vegetation.

Outstanding scenery and recreational resources include panoramic viewpoints, sheltered bays with warm sand or pebble beaches, and protected marine waterways and anchorages that contribute to the locations beauty, appeal and tranquility.

The unique natural environment of the islands in the Strait of Georgia and Howe Sound has given the area national recognition. Realizing this, the government of British Columbia enacted special protective legislation entitled the *Islands Trust Act* in 1974. The *Act* states that the object of the Islands Trust is to "preserve and protect the trust area and its unique amenities and environment for the benefit of the residents of the

trust area and of British Columbia generally, in cooperation with the municipalities, regional districts, improvement districts, other persons and organizations, and the government of British Columbia".

Organization and Responsibilities

The Islands Trust is comprised of sixteen distinct corporate entities - Trust Council, Executive Committee, thirteen local trust committees, and the Trust Fund Board. The Bowen Island Municipal Council is also located within the Islands Trust Area, is represented on Trust Council and has responsibilities related to the *Islands Trust Act*.

The Islands Trust Council

The 26-member Trust Council establishes general policies for carrying out the object of the Islands Trust and is responsible for the financial management of the Islands Trust except for the Trust Fund. It provides an operational budget to the Trust Fund. The Trust Council appoints staff and auditors and adopts the annual budget. The operations of the Islands Trust are primarily funded through tax levies on properties within the Trust Area along with Provincial grants and development application fees.

The *Act* requires Trust Council to implement a Trust Policy Statement applicable to the whole Trust Area and approved by the Minister of Municipal Affairs. The Policy Statement clarifies the positions and policies of the Islands Trust and provides guidance for other jurisdictions and governments with authority in the Area for the formulation of policies, bylaws and plans that carry out the object of the Islands Trust. The Policy Statement guides the more specific plans and policies developed at the local level, and ensures these plans contribute to the implementation of the broader policies for the overall Trust Area. The Policy Statement may establish different policies for different parts of the Trust Area.

Trust Council has three standing committees of trustees - Local Planning Committee, Trust Programs Committee, and Financial Planning Committee to provide policy advice to Trust Council on Council's referrals and on committee initiatives.

Executive Committee

The Executive Committee is comprised of the Chair of the Islands Trust Council and three Vice-Chairs, elected for three-year terms by Trust Council from among its members. It carries out the daily business of the Islands Trust and reviews all the bylaws of local trust committees to ensure compliance with the Islands Trust object and Policy Statement. The Executive Committee also acts as a local trust committee for that part of the Trust Area not included within any other local trust area.

105-02803/

Local Trust Committees/Island Municipalities

There is a local trust committee for each group of islands designated as a local trust area by regulation under the *Islands Trust Act* and one island municipality for Bowen Island. There are thirteen local trust committees in the Trust Area as shown on the Trust Area map on page 3.

Each local trust committee has three members - two locally-elected trustees and one Executive Committee member who serves as Chair. A local trust committee is responsible for land use planning and regulation for its area of jurisdiction. Its duties include the preparation and adoption of Official Community Plans, land use bylaws, zoning and subdivision bylaws, regulation of soil removal and deposit, and authorization of permits under Part 26 of the *Municipal Act*.

Bowen Island Municipality has a seven-member Council with broad municipal powers including land use planning. From the Municipal Council members, two Municipal Trustees are elected to Trust Council by the community for a three-year term.

All bylaws of the local trust committees and island municipalities that address a matter in the Policy Statement must be submitted to the Executive Committee for approval before adoption. If the Executive Committee returns the bylaw, or refuses to approve a bylaw, a local trust committee or island municipality can request that the bylaw be submitted to Trust Council for approval. Official Community Plans must be approved by the Minister of Municipal Affairs.

Trust Fund Board

The Board of Trustees for the Islands Trust Fund is comprised of three trustees elected by Trust Council and up to three people appointed by the Minister of Municipal Affairs. The Islands Trust Fund is a conservation land trust that can acquire and manage land for conservation, hold conservation covenants on private land and accept donations to help preserve places of natural significance or cultural value within the Trust Area.

Every five years, the Trust Fund Board prepares a Trust Fund Plan for approval by the Minister of Municipal Affairs, which establishes policies regarding the operations of the Islands Trust Fund. Donations to the Islands Trust Fund can help preserve and protect special places in the Trust Area. Tax receipts are provided for such gifts.

Message from the Chair

During 1999-2000, we at Islands Trust have continued our commitment to excellence in community planning throughout the Trust Area. By the end of this year, nearly all of our residents lived in communities where the Official Community Plans and land-use Bylaws were current.

Local Trust Committees, working together with staff and community members, have designed these new pieces of local legislation to accurately reflect our vision of how best to meet the challenges of continued population and economic growth in the Georgia Basin. We have addressed this over-riding issue by making Plans and bylaws that balance human and natural values within the context of our mandate to preserve and protect the environment and unique amenities of our islands and waters.

We have accomplished this work on the islands, while undertaking several important initiatives that bring benefits throughout the Trust Area, including:

- an international protocol with San Juan County on shared values of protecting the natural environment and on mutual interests in sustainable communities,
- a system of agreements to bring our first Island Municipality into the confederation of communities that form the Islands Trust, and;
- a comprehensive review and revision of Island Forestry policies in our Policy Statement.

To measure the progress of our efforts, we need to look first at the natural beauty that sweeps across our islands and then to reflect on the domestic tranquility, social harmony, and respect for the environment that form the core of island life. These values make the islands into uniquely precious places, not only for the natural communities of flora and fauna, but for our human communities who call these islands home.

On behalf of my colleagues on the Executive Committee and all of the Local Trustees, I would like to thank our staff for their hard work and dedication in completing the tasks we set before them – they have brought our visions to life.

David Essig
Chair

Message from the Islands Trust Fund Board Chair

The Islands Trust Fund has had continuing great success in conserving special places in the Islands Trust Area.

Four landowners worked with the Islands Trust Fund to register 5 conservation covenants to ensure the protection of special features and values on their lands. One of the landowners also donated land for the establishment of a Nature Reserve.

The Islands Trust Fund and the Garry Oak Meadow Preservation Society worked with Robin and Jillian Ridington family to register a covenant in June 1999 on part of Retreat Island.

The Islands Trust Fund and the Bowen Island Conservancy jointly registered a conservation covenant on an "as yet undeveloped" residential lot on Bowen Island owned by Betty McIntyre. The covenant protects the forested nature of the land while allowing for a residence and ancillary building to be developed with some restrictions and much consultation with the covenant holder.

In November 1999, the Islands Trust Fund and the Pender Islands Conservancy registered a joint covenant on a portion of a North Pender Island waterfront property that contains Rocky Mountain Juniper. David and Mary Dennis were very pleased to grant protection for these most interesting and uncommon shrubby trees.

Decemberôs activities led to the completion of two further covenants and a donation of a 9 hectare property, all on Bowen Island. This newest Nature Reserve is adjacent to a BC Parks Ecological Reserve and will protect a Coastal Western Hemlock woodland area. The covenants protect aquatic habitat and adjacent vegetation along a salmon stream.

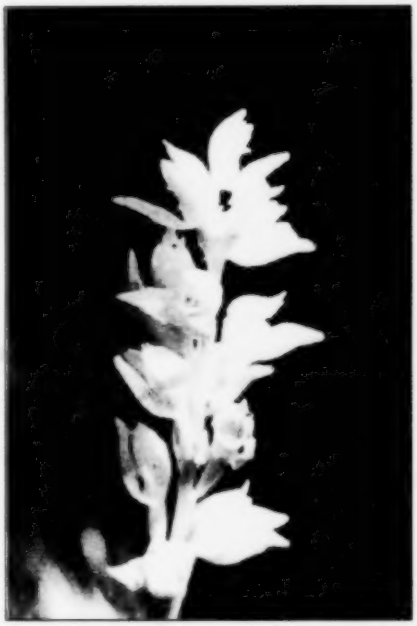
With the coming of the year 2000, our conservation success continued and the Brooks Point acquisition project on South Pender Island was completed. At the initiation of Allan and Betty Brooks, a partnership consisting of the Brooks, the Friends of Brooks Point, Pender Islands Conservancy, Islands Trust Fund, Nature Conservancy of Canada, Habitat Acquisition Trust, The Land Conservancy of BC, and Capital Regional District Parks was established to protect this 4 ha waterfront property. With financial donations from many conservation-minded individuals, corporations, foundations, and funding sources the group was able to purchase part of the land and the Brooksôdonated a portion. A conservation covenant was also registered on title to ensure protection of the natural environment. We applaud the cooperation and determination of the many groups involved to protect this wonderful property.

In addition to protecting the Trust Area through acquisitions and covenants, the Islands Trust Fund Boardôs focus this year included beginning the groundwork for a special fundraising campaign and working jointly on a Public Lands Strategy with Trust Council and the Province for Crown lands within the Islands Trust Area.

Melinda Auerbach
Chair
April – December 1999

Louise Bell
Chair
January – March 2000

Message from the Executive Director



The year 1999-2000 was a year of strategic continuity and changing relations.

Sixteen of the 26 member Trust Council were re-elected in November 1999. The updating of official community plans for island communities remained a priority. The Islands Trust undertook a number of initiatives to rationalize the allocation of staff resources to local land use planning work programs. The Trust established an office on Gabriola Island to enhance the Trustís presence and service delivery within the Trust Area.

At the same time, the Trust Council forged a new relationship with the establishment of the Bowen Island Municipality. Both Trust Council and the Bowen Island Municipal Council reached agreements to provide parameters for the coordination of interagency activities and to provide planning services until December 2002. The Trust, in partnership with the Ministry of Municipal Affairs, initiated a review of the governance and organizational implications of municipal incorporation within the trust area.

The Trust continued to focus on obtaining enabling legislation to encourage the protection of natural areas in private lands. It achieved agreement to facilitate the stewardship of marine resources within the Georgia Basin and Puget Sound in partnership with San Juan County and other agencies. The technical analysis of Crown land throughout the Trust Area with the involvement of twelve provincial agencies was a major focus of the Trustís multi-phase Public Lands Strategy.

These strategic priorities and a new island municipal relationship are indicators of the dynamic nature of sustaining the Islands Trust mandate.

Gordon McIntosh
Executive Director

Trustees of the Islands Trust 1999/2000

	Apr. 1999- Nov. 1999	Nov. 1999- Mar. 2000
Bowen	Tracy Chambers Eric Sherlock	Ross Carter Peter Frinton
Denman	Tom Babb Louise Bell	Tom Babb Louise Bell
Gabriola	Gail Lund Gisele Rudischer	Gail Lund Gisele Rudischer
Galiano	Margaret Griffiths Debbie Holmes	Margaret Griffiths Debbie Holmes
Gambier	Kim Benson Ian Ross	Kim Benson Bob Gibson
Hornby	George Buvyer Tony Law	Ron Emerson Tony Law
Lasqueti	Melinda Auerbach Eric OdHiggins	Eric OdHiggins Tom Weinerth
Mayne	Larry Holbrook Richard Tamboline	Rosemary Bennett Richard Tamboline
N. Pender	George Ravenscroft Tom Ward	Em Round Wayne Wright
Salt Spring	David Borrowman Bev Byron	David Borrowman Bev Byron
Saturna	John Money Bill Sheffeld	John Money Bill Sheffeld
S. Pender	John Rumble Steve Wright	John Henshaw John Rumble
Thetis	Jon Eaton David Essig	Bob Bingham David Essig

Executive Committee

to Dec 1999

Chair
David Essig
Vice-Chairs
Melinda Auerbach
Larry Holbrook
John Money

Jan 00- March 01

Chair
David Essig
Vice-Chairs
Kim Benson
David Borrowman
John Money

Trust Fund Board

to Dec 1999

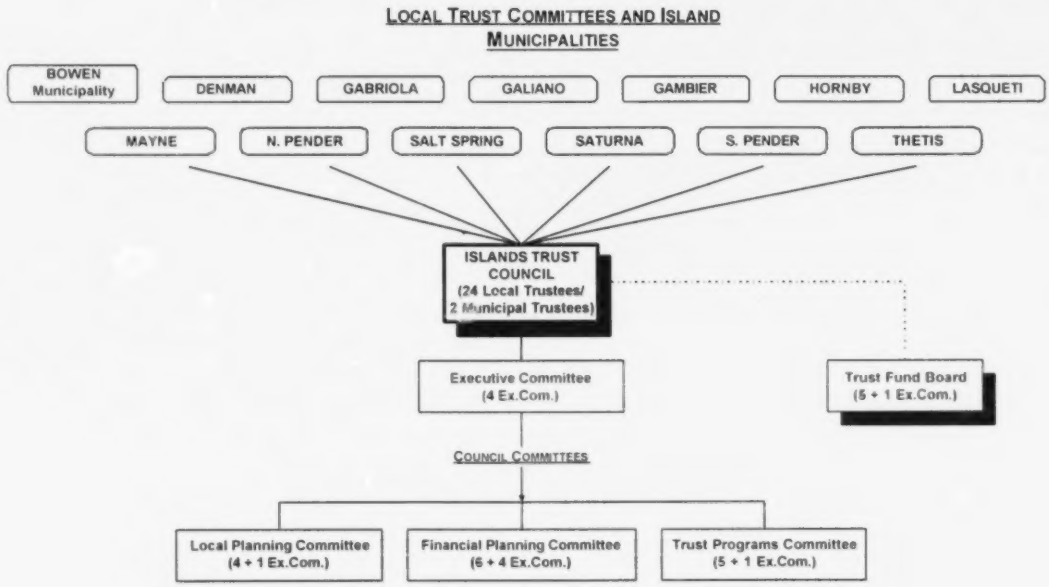
Chair
Melinda Auerbach
Members
Ann Hiller*
Ross Johnson*
Tony Law
Michael Paine*
Tom Ward

January 00- March 01

Chair
Louise Bell
Members
Kim Benson
Tony Law
Linda Nowlan*
Dr. Katherine Dunster*
Susie Washington-Smyth*

* Ministerial appointee

Islands Trust Legislative Structure



Decision Making

Electors in each Local Trust Area elect two local trustees to sit on the local trust committee and on the Trust Council. Local trustees are responsible for all land use decisions in their Local Trust Area.

Planning Support

The Local Planning, Financial Planning and Trust Programs Committees, along with their supporting staff, provide specialized expertise.

ACCOMPLISHMENTS 1999-2000

THE OBJECT

The special values of the Canadian islands in the Georgia Strait between the major urban centres of Vancouver, Victoria, Nanaimo, and American cities of Seattle, Bellingham and Olympia have been recognized in Provincial legislation in the *Islands Trust Act*. The *Act* has an object as follows.

> "The object of the Trust is to preserve and protect the Trust Area and its unique amenities and environment for the benefit of the residents of the Trust Area and of British Columbia generally, in co-operation with municipalities, regional districts, improvement districts, other persons and organizations and the government of British Columbia." (sec. 3)

The Islands Trust advances the object through land use planning and promotion of local stewardship of private lands and acquiring significant areas for protection through the Trust Fund Board. The activities of the Islands Trust are focused on sustainable communities, ecosystem preservation and protection and stewardship of resources.

HIGHLIGHTS OF ISLANDS TRUST PROGRAMS

APRIL 1999 – MARCH 2000

Sustainable Communities

Bowen Island Municipality

On December 4, 1999, the Islands Trust welcomed its first island municipality. The Bowen Island Municipal Council is responsible for having regard for the object of the Trust (39.1 *Islands Trust Act*) in adopting a bylaw or issuing a permit or licence. Two members of the municipal council were also elected by the community to be municipal trustees and to sit on the Islands Trust Council. These two trustees represent the link between the Bowen Island Municipal Council and Islands Trust Council.

Official Community Plans (OCPs)

Extensive community consultation and collation of local knowledge was underway for revision of OCPs for Denman, Gambier, Hornby, Keats and Saturna Islands. The OCPs consider the future of each island and its community, provide policy on future regulation and servicing needs, and provide direction for the advancement of the object of the Islands Trust.

Land Use Bylaws

Trust Council continues to view the revision of land use bylaws as a high priority. Public bylaw review processes for Bowen, Gabriola, Galiano, Lasqueti, North Pender, Salt Spring and South Pender Islands included consideration of new regulatory powers and proposed land use planning policies. These bylaws implement the Official Community Plans through regulatory authorities and provide for environmental protection and community sustainability in a comprehensive manner.

ECOLOGICAL PRESERVATION AND PROTECTION

Transborder Marine Protected Area

The Islands Trust and San Juan County along with other organizations worked on a transborder marine protected area. A vision, principles, objectives and an area of interest were defined through an interagency agreement with the San Juan County Board of Commissioners. It was determined that the two local governments would seek locally based designations of marine areas of special interest and if appropriate, supplement them later with higher order protection from other levels of governments.

Natural Area Protection Tax Incentives for Voluntary Stewardship

Islands Trust Council continues to advance a tax incentive program to facilitate the protection of natural areas on private lands in the Trust Area. The proposal is to encourage voluntary stewardship to preserve natural areas without outright purchase of private land. The idea will be tested in the Gambier Island Local Trust Area in cooperation with the Sunshine Coast Regional District. An agreement with the regional district on implementation and management of the scheme was reached. The proposal is waiting for enabling legislation and regulations.

Identification of Key Areas for Conservation

Islands Trust Fund worked with island conservancy groups, provincial and federal government agencies and conservation organizations to begin a comprehensive identification of important ecological areas for protection and conservation within the Islands Trust Area and the greater Georgia Basin region. The information will assist Islands Trust in its work to preserve and protect the unique environment within the trust area.

STEWARDSHIP OF RESOURCES

Forestry

The Islands Trust implemented development permit regulation to ensure logging practices on private land were done at an island scale appropriate to concerns for ecological integrity and ground water protection on a island. Enforcement has proved to

be difficult and the approach is being tested in the courts. The outcomes for these legal proceedings will have significant implications for sustainable forestry in the Trust Area.

Public Lands Strategy

The completion of community driven planning programs has created plans and bylaws over private lands representing about 90% of the land base in the Trust Area. The future of Crown lands and islets is a major interest in terms of the protection of the environment and identification of unique amenities. Many local plans provide insights on the local valuation of Crown lands. To create some certainty, a program to identify the features and interests of all appropriate Provincial agencies, local communities, Trust Fund and Islands Trust was proposed and terms of reference agreed upon. The initial phase is the mapping and inventory of information known about the lands.

ISLANDS TRUST COUNCIL

The 26-member Trust Council establishes general policies for carrying out the object of the Trust and is responsible for the financial management of the Islands Trust. Trust Council holds quarterly meetings, the first one in June 1999 on Keats Island. In September, Trust Council met on Galiano Island.

General elections were held in November 1999 with 6 islands electing trustees through acclamation. A total of 10 new trustees were elected and 16 trustees returned for another term. The Honourable Mr. Justice J.C. Cowan, of the Supreme Court of British Columbia administered the oaths of office at a swearing in ceremony on Wednesday, December 8, 1999. Orientation workshops dominated the rest of the quarterly meeting in Victoria.

During the year, activities focused on the following priorities.

- In September, 1999, Trust Council considered its first Protocol with a First Nation. The Thetis Island Local Trust Committee and Lyackson First Nation with interests on Valdes Island began the process of developing an agreement on relationships between the two governments. The *Islands Trust Act* was amended at the Council's request to include first nations as a government with which Council could enter into agreements.

- Trust Council coordinated a protocol with the Capital Regional District regarding coordination of activities for six local trust areas.

- Trust Council adopted a Protocol and Letter of Understanding with BC Assets and Land Corporation delineating Crown land planning and referral processes in the trust area.

- Trust Council adopted a Protocol and Letter of Understanding with the Ministry of Forests concerning recognition of island community interests in the creation of woodlots.

- Plans for a Gabriola Island Branch Office were advanced with hiring of locally based staff and development of stronger electronic means and administrative policies to support regionalization of the organization.

- Interagency agreements between Trust Council and the Bowen Island Municipal Council provided mechanisms for coordination of activities.

EXECUTIVE COMMITTEE

The Executive Committee is elected by and from Trust Council members for a three year term. The Committee of 4 people ensures local bylaws satisfy the policies in the Policy Statement, act as a local trust committee for a largely uninhabited portion of the trust area and assumes any duties assigned by Trust Council. The Committee has the responsibility for bringing forward amendments or refinements of the Policy Statement. Each member of the Executive acts as a Chair for one or more local trust committees. The Executive is the arm of the trust that meets with appropriate ministers of the Crown to further the object of the Trust.

The Executive Committee focused on the following topics during the year:

- Efficiency and equality of resource staff allocation to local trust committee work programs and the creation of staff branch offices.

- Examination of governance issues relating to the structure of the Islands Trust, budget and related policy issues caused by the formation of island municipalities.

- An action plan to ensure a rational and supportive transition to include the Bowen Island municipality in the Trust Area.

- Processing of Policy Statement Amendments on Forestry and other minor refinements.

- In December 1999, a natural gas pipeline was proposed by BC Hydro in partnership with Williams to link Vancouver Island to the mainland on the ocean floor through the trust area and part of San Juan County. The Executive Committee has expressed concern over potential environmental impacts and the need for a transparent and thorough assessment process.

- In March 2000, the Chair formed a special ad hoc committee to examine the language of the Policy Statement and to evaluate the effectiveness of the direction provided to local trust committees and island municipalities.

- Work on a "Strategic Perspectives Study" was completed by a consultant and submitted to Trust Council as part of the larger governance study undertaken by the Executive Committee.

Executive Committee liaison highlights included:

- Federal Minister of Environment, David Anderson to discuss Pacific Marine Heritage Legacy and Transborder Marine Protected Area initiative;
- Minister of Agriculture and Food, Corky Evans to discuss aquaculture and the Natural Area Protection Tax Incentive;
- Minister of Environment Lands and Parks, Joan Sawicki to advance the Natural Area Protection Proposal, the Public Lands Strategy, Marine Protected Area initiative and Groundwater Protection;
- Minister of Municipal Affairs, Jim Doyle, to advance governance issues and funding support.

TRUST COUNCIL ADVISORY COMMITTEES

There are three standing committees of Trust Council members appointed by the Chair, which advise on policy matters.

Local Planning Committee

- Developed policy and guidelines to maximize efficiency in staff review of planning applications;
- Undertook a review of cost recovery principles in fee schedule for application processing;
- Continued to monitor the OCP program to ensure Trust Council's priorities for completion of official community plans and land use bylaws were achieved;
- Undertook a review of a monitoring system of planner time allocations to local trust committee work programs; and
- Organized a transportation issues planning workshop for Trust Council.

Trust Policy Committee

- Prepared a briefing on the actions for the Islands Trust concerning forestry issues from 1997 to September 1999;
- Furthered the Natural Area Protection Tax Incentive on private land as the top priority work program item of this committee. An agreement with the Sunshine Coast Regional District was adopted by Trust Council and a program action plan developed;
- Developed a Transborder Marine Protected Area designation proposal to guide statement of principles and policies for this initiative with San Juan County; and

- Developed the inventory phase and design of public consultations for the Public Lands Strategy.

Financial Planning Committee

- Prepared a budget for 1999/2000 with a 3.8% tax increase which was subsequently adopted by Trust Council. The budget included a number of new programs including funding for the establishment of a branch office on Gabriola Island and the review of the land use bylaw for Keats Island. Trust Council utilized additional funding from its reserves;

- Proposed a five year financial plan to Trust Council. Related policies, budget implications and targets were developed in December 1999 and the adoption of a five year Financial Plan will be required by legislation beginning in 2001;

- Developed and recommended approval in May 1999, of cost recovery guidelines for application processing throughout the Trust Area; and

- In conjunction with the Local Planning Committee, reviewed the implications of a staff time allocation model. The Committee's focus was on establishing the link between the model and the budget process.

ISLANDS TRUST FUND BOARD

The Trust Fund Board works with interested landowners and conservation groups to protect significant natural and cultural areas within the Islands Trust Area. The Board establishes nature reserves on significant lands donated to it, holds conservation covenants on private properties that contain key features and values, and provides information to the public about land stewardship and conservation options.

- The Trust Fund Board is comprised of six members, chaired by Louise Bell from Denman Island. Louise in December 1999 succeeded Melinda Auerbach who served a six year term. Kim Benson from Keats Island joined the Board in December 1999 as the Islands Trust Executive Committee representative and Tony Law from Hornby Island was re-elected by Trust Council to act as a Board member through 2002. Kathy Dunster from Bowen Island and Susie Washington Smyth, from Saturna, continue their current appointment to the Board. The Minister of Municipal Affairs appointed a new member, Linda Nowlan in January 2000.

- The Trust Fund Board completed eight conservation projects. One nature reserve was created on Bowen Island and seven conservation covenants were registered on private land to protect a total of six hectares of important habitat and the scenic character of a heritage road.

- The Trust Fund Board, with Trust Council, undertook a major initiative to identify existing information about the natural values on Crown lands as part of the Public Lands Strategy program. It also continued its participation in the development of criteria for accepting properties into the Natural Area Protection Tax Incentive program.

- Following the development of an Islands Trust Fund fundraising strategy in early 1999, the Trust Fund Board began to plan a capital campaign. The goal of the campaign was to raise money to help purchase key island properties and to increase Islands Trust Fund's capacity to undertake and assist landowners with conservation covenant projects. The initial planning steps included establishing a Campaign Advisory Group and developing a Case for Support for the campaign.

- The Trust Fund Board provided three information sessions to other staff, conservancies and the public, to build support for and awareness of the need to protect special areas on the islands.

ADMINISTRATION

- Trust Council approved an election review process to consider how to improve accessibility of voting opportunities for Islands Trust elections.

- The various corporate entities of the Trust had to amend bylaws in response to meeting requirements of new legislation for all meetings to be open to the public.

LOCAL TRUST COMMITTEES

There is a local trust committee for each group of islands designated as a local trust area by regulation under the *Islands Trust Act*. A local trust committee is responsible for advancing the object of the *Act* through land use planning and regulation for its area of jurisdiction.

Bowen Island – The community became an island municipality within the Islands Trust on December 4, 1999. The municipal council has 6 members and a mayor. Islands Trust staff will continue to provide planning services to the municipality until December 2002. The first draft of the Land Use Bylaw was completed by the Bowen Island Local Trust Committee and deferred to the Municipal Council to complete.

Denman Island – The first draft of the official community plan was completed and submitted to the public for review in December 1999. Enforcement of Development Permit requirements remained a major focus on private forest lands.

Gabriola Island - The land use bylaw was submitted to agencies and the public for review in May and adopted on November 22, 1999.

Galiano Island – The official community plan and new land use bylaw were both adopted on March 1, 2000.

Gambier Island – The second draft of the official community plan was completed and a public review process of that draft plan was initiated.

Hornby Island – A working draft of the official community plan was completed and submitted to the public for comment.

Lasqueti Island – The rural land use bylaw was significantly amended and adopted by bylaw on November 29, 1999.

Mayne Island – The official community plan and land use bylaw were completed in previous years and efforts focused on specific regulations including water requirements at time of subdivision.

North Pender Island – The amended land use bylaw was adopted on September 23, 1999.

Salt Spring Island - The land use bylaw review continued with two drafts prepared for agency and public review. Work also began on a new Development Permit Area, designed for the protection of Garry Oak plant communities.

Saturna Island – The official community plan review with agencies and the public continued and a proposal for a federal park centered on the island was considered within this process.

South Pender Island – A revised land use bylaw was completed and submitted for public review. A number of public information meetings were held.

Thetis Island - Initial research began towards a review of the Thetis Island official community plan.

Executive Committee Islands – The Executive Committee supported the creation of the Mount Arrowsmith World Biosphere Reserve proposal, which included the Ballenas and Winchelsea islands.

Audited Financial Statements of

THE ISLANDS TRUST

Year ended March 31, 2000

kpmg

KPMG LLP
Chartered Accountants
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7

Telephone (250) 480-3500
Telefax (250) 480-3539
www.kpmg.ca

AUDITORS' REPORT TO THE TRUSTEES

We have audited the balance sheet of The Islands Trust as at March 31, 2000 and the statements of revenue and expenditure and surplus for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2000 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

KPMG LLP

Chartered Accountants

Victoria, Canada

May 18, 2000

THE ISLANDS TRUST

Balance Sheet

March 31, 2000, with comparative figures for 1999

	2000	1999
Assets		
Current assets:		
Cash and short-term investments	$ 1,239,556	$ 1,218,667
Accounts receivable	84,542	106,024
Prepaid expenses	14,980	23,534
	1,339,078	1,348,225
Other assets:		
Cash restricted for pre-retirement leave (note 2)	12,584	12,133
Capital assets:		
Office furniture and equipment	413,311	708,570
Denman Island Old School Site (note 3)	10,000	10,000
	423,311	718,570
	$ 1,774,973	$ 2,078,928
Liabilities, Reserves and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 374,666	$ 368,402
Unearned revenue	6,550	3,535
	381,216	371,937
Other liabilities:		
Reserve for pre-retirement leave plan (note 2)	12,584	12,133
Reserves (note 1(e)):		
Future expenditures	207,031	218,929
Payroll benefits	87,565	87,565
Working capital	130,000	130,000
Capital	100,000	81,630
Legal	211,630	200,000
Operating	140,000	120,000
	876,226	838,124
Equity:		
Surplus	81,636	138,164
Equity in capital assets (note 4)	423,311	718,570
	504,947	856,734
Commitments (note 5)		
Contingency (note 6)		
	$ 1,774,973	$ 2,078,928

See accompanying notes to financial statements.

Approved by the Trust Council:

_____ Trustee

_____ Trustee

THE ISLANDS TRUST

Statement of Revenue and Expenditure

Year ended March 31, 2000, with comparative figures for 1999

	2000 Actual	2000 Budget	1999 Actual
Revenue:			
Property tax levy	$ 2,894,185	$ 2,894,185	$ 2,851,435
Provincial grant	351,715	352,000	423,000
Community planning grants	27,252	-	150,000
Fees and sales	99,890	145,000	108,637
Interest and other	82,107	63,000	87,505
Appropriations from surplus	92,330	92,330	40,432
	3,547,479	3,546,515	3,661,009
Expenditure:			
Council services	878,117	762,792	713,650
Local services	2,364,296	2,544,028	2,543,990
Trust Fund services	219,264	219,695	266,137
Transfer to Operating Reserve	20,000	20,000	20,000
	3,481,677	3,546,515	3,543,777
Net revenue for the year	$ 65,802	$ -	$ 117,232

See accompanying notes to financial statements.

THE ISLANDS TRUST

Statement of Surplus

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999
Balance, beginning of year	$ 138,164	$ 138,444
Deduct surplus appropriated for current year	(92,330)	(40,432)
	45,834	98,012
Add net revenue for the year	65,802	117,232
	111,636	215,244
Deduct transfer to reserves:		
Payroll benefits	-	27,080
Capital	18,370	20,630
Legal	11,630	22,370
Operating	-	7,000
	30,000	77,080
Balance, end of year	$ 81,636	$ 138,164

See accompanying notes to financial statements.

THE ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2000

The Islands Trust (the "Trust") is incorporated under The Islands Trust Act of British Columbia (as amended in 1989). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

For financial reporting purposes, the Trust and The Islands Trust Fund are reported on separately. These financial statements present the financial position and results of operations of the Trust.

1. Significant accounting policies:

It is the Trust's policy to follow accounting principles generally accepted for British Columbia municipalities. The following is a summary of the more significant policies:

(a) Investments:

Investments are recorded at cost.

(b) Capital assets:

Capital assets, whether purchased outright or financed by long-term debt or lease, are capitalized on the balance sheet. Payments for capital assets or for the related financing thereon are treated as operating expenditures with an appropriate credit to equity in capital assets. Donated capital assets are carried at appraised market value at the time of donation.

(c) Community planning grants:

Planning grant revenue is recorded on the accrual basis to match the grant revenue against the related expenditures.

(d) Depreciation:

In accordance with a direction from the Ministry of Municipal Affairs, no depreciation is recorded on capital assets.

(e) Reserves:

These reserve accounts are non-statutory reserves established at the discretion of Council.

Reserves include a reserve for future expenditures, a payroll benefit reserve, a working capital reserve, a capital reserve, a reserve for legal costs and an operating reserve.

THE ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2000

2. Pre-retirement leave plan:

The Superannuation Commission of the Province of British Columbia transferred to the Trust the assets and obligations of a pre-retirement leave plan in respect of certain employees. Management considers the assets of the plan to be adequate to cover its obligations.

3. Denman Island Old School Site:

In 1993/94 the Denman Island Old School Site was sold to the Trust for $10,000, which was donated by the Denman Island Ratepayersd Association who, in turn, leased the building from the Trust for 99 years for a total fee of $10. The Trust agreed to facilitate the sale of the school between School District #71 and the Ratepayersd Association and to hold title to the property on behalf of the community.

4. Equity in capital assets:

This amount consists of:

	2000	1999
Opening balance	$ 718,570	$ 636,850
Assets acquired out of operating expenditure	93,075	81,720
Asset revaluation	(388,334)	-
Closing balance	$ 423,311	$ 718,570

Asset revaluation:

During the year the Trust inventoried all of its computer assets and other equipment. As a result, $388,334 of obsolete items have been removed from the Trustd accounts.

5. Commitments:

The Trust is committed to leases over rented premises and equipment. Minimum future payments in the next five years are as follows:

	Premises	Equipment
2001	$ 212,919	$ 16,415
2002	213,475	11,045
2003	178,267	9,543
2004	27,116	-
2005	22,597	-

THE ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2000

---

6. Contingency:

In the normal course of a year, the Trust is faced with lawsuits for damages of diverse natures. At year end, the Trust's estimated exposure in each such liability is not considered to be significant. When claims are paid, as a result of litigation, the expenditures are accounted for in the year of settlement.

7. Comparative figures:

Certain of the prior year figures have been reclassified to conform to the presentation adopted in the current year.

Audited Financial Statements of

THE ISLANDS TRUST FUND

Year ended March 31, 2000

kpmg
KPMG LLP
Chartered Accountants
St. Andrewâs Square II
800-730 View Street
Victoria BC V8W 3Y7

Telephone (250) 480-3500
Telefax (250) 480-3539
www.kpmg.ca

AUDITORS' REPORT TO THE MEMBERS

We have audited the balance sheet of The Islands Trust Fund as at March 31, 2000 and statement of changes in fund balance for the year then ended. These financial statements are the responsibility of the Trust Fundâs management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Fund as at March 31, 2000 and the results of its operations and the changes in its fund balance for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

KPMG LLP

Chartered Accountants

Victoria, Canada

May 18, 2000

THE ISLANDS TRUST FUND

Balance Sheet

March 31, 2000, with comparative figures for 1999

	2000	1999
Assets		
Cash	$ 29,708	$ 39,084
Land (note 1(b))	1,803,497	1,646,497
	$ 1,833,205	$ 1,685,581
Equity		
Fund balance (note 3)	$ 1,833,205	$ 1,685,581

See accompanying notes to financial statements.

Approved by the Trust Fund's Board:

_____ Board member

_____ Board member

THE ISLANDS TRUST FUND

Statement of Changes in Fund Balance

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999
Balance, beginning of year	$ 1,685,581	$ 1,673,197
Add cash items:		
Donations for South & West Salt Spring Conservation	-	1,500
Donations for Brooks Point property	48,753	5,222
Donations for McFadden property	700	3,900
Other donations	156	5,196
Interest	1,689	1,393
	51,298	17,211
Deduct cash items:		
Brooks Point acquisition payment to Capital Regional District	57,799	-
McFadden property acquisition payment to Wild Bird Trust	2,700	-
Mathews Point acquisition contribution	175	-
Salt Spring conservation	-	3,205
Advertising for Brooks Point	-	1,622
	60,674	4,827
Balance before non-cash item	1,676,205	1,685,581
Add land donation – Cates Hill Nature Reserve (note 2)	157,000	-
Balance, end of year (note 3)	$ 1,833,205	$ 1,685,581

See accompanying notes to financial statements.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2000

The Islands Trust (the "Trust") is incorporated under the Islands Trust Act of British Columbia (as amended in 1989). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

The Islands Trust Fund (the "Trust Fund") is empowered to accept donations, grants, bequests, etc. and to hold land and other property in compliance with a Trust Fund plan approved by the Ministry of Municipal Affairs.

For financial reporting purposes, the Trust and the Trust Fund are reported on separately. These financial statements present the financial position and changes in fund balance of the Trust Fund.

1. Significant accounting policies:

It is the Trust Fund's policy to follow the same accounting principles as adopted by the Trust, which is to follow accounting principles accepted for British Columbia municipalities. The following is a summary of the more significant policies:

(a) Basis of accounting:

Accounting for the Trust Fund is on the accrual basis.

(b) Land:

Land is recorded at its estimated fair market value at the date of donation.

2. Cates Hill Nature Reserve:

The Cates Hill Nature Reserve property was donated by W.C.D. Developments Ltd. in February 2000.

3. Fund balance:

The fund balance of the Trust Fund comprises equity in properties owned by the Trust Fund as well as donations that have been received for specific and non-designated acquisition projects. The following indicates the equity in properties owned and the balances (inclusive of interest) held for each acquisition project.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2000

3. Fund balance (continued):

Properties owned:

	Acquisition date	2000	1999
Inner Island Nature Reserve, Denman Island	1992	$ 70,000	$ 70,000
Coats Millstone Reserve, Gabriola Island	1994	100,000	100,000
Medicine Beach Marsh, North Pender Island	1996	477,000	477,000
Cunningham Reserve, Salt Spring Island	1994	265,000	265,000
Deep Ridge Reserve, Salt Spring Island	1992	255,000	255,000
Lower Mt. Erskine Nature Reserve, Salt Spring Island	1996	284,000	284,000
Lasqueti Nature Reserve, Lasqueti Island	1997	195,497	195,497
Cates Hill Nature Reserve, Bowen Island	2000	157,000	-
		$ 1,803,497	$ 1,646,497

Properties acquisition funds:

	2000	1999
South & West Salt Spring Conservation	$ 1,455	$ 1,399
Brooks Point property	1,669	10,477
McFadden property	12,863	14,371
Non-designated fund	13,721	12,837
	$ 29,708	$ 39,084
Total fund balance	**$ 1,833,205**	**$ 1,685,581**

4. Program expenses:

The annual program expenses for the Trust Fund are funded by and reported as part of the Trust in accordance with The Islands Trust Act. The expenses are summarized as follows:

	2000	1999
Programs	$ 147,338	$ 179,263
Board	10,999	10,866
Administration	60,927	76,008
	$ 219,264	$ 266,137

ANNUAL REPORT 2000 - 2001

Message from the Chair

Following the municipal elections of November 1999, four new trustees joined the 22 returning trustees to continue a strategic direction in progress and respond to new opportunities during the Trust's 25th anniversary year.

Trust Council continued to work with the Province to achieve enabling legislation for the natural area protection tax incentive program; to pursue a strategy for Crown land planning and the acquisition of properties for the creation of a national park. The incorporation of Bowen Island Municipality prompted new strategies to include island municipalities within the Trust federation. Protocols and treaty processes forged new relationships between aboriginal and island communities.

The spirit of the Islands Trust is a federated approach that achieves a common vision while accommodating the unique needs of each island. Trustees and staff initiated an ongoing system to discuss and reconcile decisions about resource allocation. Most significantly, the Trust Council and Executive Committee have put into practice a cultural shift that changes the focus of their strategies from regulatory to voluntary, from environmental to sustainable and from protection to stewardship.

This mindset is essential to achieving the mandate of the Trust for the next 25 years.

David Essig
Chair

Message from the Trust Fund Board Chair

The goals of the Islands Trust Fund for 2000-2001 included:

- continuing the conservation covenant and property acquisition initiative throughout the Trust Area;
- continuing discussions about a major capital campaign for the Islands Trust Fund:
- concentrating on the management needs of lands owned by the Trust Fund Board; and
- becoming more efficient and effective as an organization.

Success this year included the registration of two conservation covenants on Saturna Island – the Strand-Dohan covenant and the Floating Cattails covenant. These two covenants help protect a unique wetland area that provides habitat for various species of birds, amphibians, and plants and bring the number of properties we protect through conservation covenants to 15.

The Islands Trust Fund now owns nine properties that are managed as Nature Reserves and Nature Sanctuaries. This year Islands Trust Fund focused on developing management plans for two of its recent acquisitions, McFadden Creek Nature Sanctuary on Salt Spring Island and Singing Woods Nature Reserve on Bowen Island. In addition, the Board developed and registered conservation covenants on three more of its properties, Medicine Beach Nature Sanctuary on North Pender, Lower Mt. Erskine Nature Reserve on Salt Spring, and Coats Millstone Nature Reserve on Gabriola Island. The Board plans to place covenants on all of its nature reserves and sanctuaries to provide a greater level of long-term protection to these sites.

This year the Board worked with a Campaign Advisory Group made up of seven volunteers from the islands, Vancouver and Victoria to plan a major capital campaign. Through its discussions, the Campaign Advisory Group provided thoughtful comments, debated the Islands Trust Fund's needs and desires, worked with the Board to clarify the Islands Trust Fund capabilities and provided the Board with helpful advice about a capital campaign and general fundraising realities. Towards the end of 2000, the Board made a decision to follow the recommendation of the Campaign Advisory Group and postpone the capital campaign in favour of an extensive awareness and education program. Fundraising initiatives with partner groups for on-going conservation acquisitions will continue.

The Islands Trust Fund produced the second issue of its newsletter, the *Heron*, in the fall of 2000. Positive comments came in from many individuals who received the newsletter. We plan to have another issue available in the 2001 that will, among other things, highlight the Laughlin Lake and Chickadee Lake acquisition projects and profile the cormorants of the Trincomali Nature Sanctuary.

To increase our internal effectiveness, the Trust Fund Board began working more closely with Trust Council and with island local trust committees to establish communication processes that will foster cooperative conservation initiatives. I applaud the Chair of Islands Trust and the various island trustees who supported this approach and helped with conservation initiatives.

Louise Bell
Chair

Message from the Executive Director

This year, the Trust enhanced its collaborative approach in achieving its legislated mandate through a number of significant initiatives and partnerships with other levels of government and community organizations that share a common vision around the legislated object of the Islands Trust.

The establishment of a national park in the Trust Area moved closer to reality in 2000 – 2001 with further acquisitions of private lands and a public consultation around provincial Crown land transfers to Parks Canada. Three community-based initiatives were sponsored to facilitate local marine stewardship for sensitive habitats.

The Trust undertook initiatives to enhance the ability of local trust committees to achieve greater island community sustainability. A pilot program was established on Hornby Island to solicit and implement local strategies to protect groundwater supply and quality.

Crown land profiles were developed to improve inter-agency planning for provincial parcels in the Trust Area. We were actively involved in seeking clarity around land use within the Trust Area with First Nations through participation in the treaty process and protocol initiatives. The Trust also lobbied the Provincial Cabinet to approve regulations to enact natural area protection property tax incentives for voluntary stewardship on private lands.

Together, these efforts reflect a voluntary stewardship rather than regulatory approach to enhancing island community sustainability.

Gordon McIntosh
Executive Director

Trustees of the Islands Trust 2000/01

Bowen	Ross Carter Peter Frinton
Denman	Tom Babb Louise Bell
Gabriola	Gail Lund Gisele Rudischer
Galiano	Margaret Griffiths Debbie Holmes
Gambier	Kim Benson Bob Gibson
Hornby	Ron Emerson Tony Law
Lasqueti	Eric O'Higgins Tom Weinerth
Mayne	Rosemary Bennett Richard Tamboline
N. Pender	Em Round Wayne Wright
Salt Spring	David Borrowman Bev Byron
Saturna	John Money Bill Sheffeld/Tom Johnstone
S. Pender	John Henshaw John Rumble
Thetis	Bob Bingham David Essig

ACCOMPLISHMENTS 2000-2001

THE OBJECT

The special values of the Canadian islands in the Georgia Strait between the major urban centres of Vancouver, Victoria, Nanaimo, and American cities of Seattle, Bellingham and Olympia have been recognized in Provincial legislation in the *Islands Trust Act.* The object of the Trust is as follows:

> "The object of the Trust is to preserve and protect the Trust Area and its unique amenities and environment for the benefit of the residents of the Trust Area and of British Columbia generally, in co-operation with municipalities, regional districts, improvement districts, other persons and organizations and the government of British Columbia." (sec. 3)

The Islands Trust advances the object through land use planning and promotion of local stewardship of private lands and acquiring significant areas for protection through the Trust Fund Board. The activities of the Islands Trust are focused on sustainable communities, ecosystem preservation and protection and stewardship of resources.

HIGHLIGHTS of ISLANDS TRUST PROGRAMS April 2000 - March 2001

Sustainable Communities

Official Community Plans (OCPs)

Work continued on revision of OCPs for Denman, Gambier, Hornby, Keats and Saturna Islands. Saturna Island held a Public Hearing on December 9, 2000. The OCPs consider the future of each island and its community; provide policy on future regulation and servicing needs; and provide direction for the advancement of the object of the Islands Trust.

Land Use Bylaws

Public bylaw review processes for North Pender, Salt Spring and South Pender Islands included consideration of new regulatory powers and proposed land use planning policies. These bylaws implement the OCPs through regulatory authorities and provide for environmental protection and community sustainability in a comprehensive manner.

Representation

A by-election was held in December to fill a vacancy on Saturna Island. The previous trustee retired at the end of September and a new trustee was sworn in on December 26, 2000. Trust Council has a full representation.

ECOLOGICAL PRESERVATION AND PROTECTION

Transborder Marine Protected Area

The Islands Trust hosted a Marine Protected Areas Forum on Saturna Island in June 2000. National, state and provincial representatives worked with local trustees, county commissioners and non-governmental organization representatives to define the potential actions of local government to achieve protection of the marine environment. A Marine Management Area Workbook was produced as a result of the Forum to assist local communities wishing to pursue stewardship of marine areas.

Natural Area Protection Tax Incentives for Voluntary Stewardship

Islands Trust Council secured legislative authority for providing tax exemptions for a portion of the property tax where private property is protected in its natural state. Trust Council will administer the program in areas designated by bylaw and approved by the impacted local government. Sunshine Coast Regional District has approved the program and Trust Council has designated the Gambier Island Local Trust Area as its first area. The criteria for access to the program and the proportion of taxes that may be exempted will be defined by provincial regulation.

STEWARDSHIP OF RESOURCES

Public Lands Strategy

An interagency program to prepare inventory of Crown lands and their known attributes was completed in March 2001. The Islands Trust is continuing the process of integrating local community knowledge into the database.

ISLANDS TRUST COUNCIL

The 26-member Trust Council establishes general policies for carrying out the object of the Trust and is responsible for the financial management of the Islands Trust. Trust Council holds quarterly meetings; the first one in June 2000 was on Saturna Island. In September, Trust Council met on Bowen Island; in December they met in Victoria; and in March 2001, they met on Salt Spring Island.

During the year activities focused on the following priorities:

- In September, 2000, Trust Council met with the Bowen Island Municipal Council to discuss and review the first year of the municipal transition and complete its governance study.
- Trust Council revised its meeting procedures in response to new legislation.
- Trust Council integrated its agreements with the Agricultural and Forest Land Reserve Commissions into a single agreement with the BC Land Reserve Commission.
- Trust Council reviewed and authorized the Public Lands Strategy public consultation packages and process.

EXECUTIVE COMMITTEE

The Executive Committee is elected for a three year term by and from Trust Council. The Committee of four ensures local bylaws satisfy the policies in the Policy Statement, act as a local trust committee for a largely uninhabited portion of the trust area and assumes any duties assigned by Trust Council. Each member of the Executive serves as Chair for one or more local trust committee. The Executive is the arm of the Trust that meets with appropriate ministers of the Crown to further the object of the Trust.

This year Executive Committee focused on:

- the efficiency and equality of resource staff allocation to local trust committee work programs and the creation of staff branch offices.

- the examination of governance issues relating to the structure of the Islands Trust, budget and related policy issues caused by the formation of island municipalities.

- the Chair formed a special ad hoc committee to examine the language of the Policy Statement and to evaluate the effectiveness of the direction provided to local trust committees and island municipalities.

- support for the Islands Trust which is a top priority for the Committee.

Executive Committee liaison highlights include:

- Federal Minister of Environment, David Anderson to discuss Pacific Marine Heritage Legacy potential acquisitions on Salt Spring Island, the national park proposal for the Southern Gulf Island and Transborder Marine Protected Area initiative;
- Minister of Aboriginal Affairs, Dale Lovick to discuss Snuneymuxw Treaty on Gabriola Island, first nations involvement in the Public Land Strategy and the Transborder marine management area and the Islands Trust first nations strategy;
- Minister of Environment, Lands and Parks, Joan Sawicki to advance the Public Lands Strategy, Transborder Marine Protected Area initiative and Groundwater Protection;
- Minister of Municipal Affairs, Cathy McGregor, to advance governance issues and the relationship of Provincial and Islands Trust mandates;
- Hilarie McMurray, Chief Negotiator, Province of BC to discuss the Snuneymuxw treaty offer and the Islands Trust first nations strategy;
- Bob Lingwood, President and CEO of BC Ferries on stakeholder process and interagency relations;
- Minister of Forests, Jim Doyle to discuss the Forestry Task Force, Public Lands Strategy and Gambier/Anvil timber supply area designation; and
- Minister of Agriculture, Food and Fisheries to discuss shellfish leases in Baynes Sound and an aquaculture Protocol.

TRUST COUNCIL ADVISORY COMMITTEES

There are three standing committees of Trust Council members appointed by the Chair, which advise on policy matters.

Local Planning Committee

- Developed cost recovery guidelines; and
- Continued to monitor the OCP program to ensure Trust Council's priorities for completion of OCPs and land use bylaws were achieved.

Trust Programs Committee

- Amended its name to reflect the scope of responsibilities;
- Furthered the Natural Area Protection Tax Incentive on private land as the top priority work program item of this committee;
- Developed a Transborder Marine Management Area Workbook for local communities to use in stewardship initiatives of the marine environment; and
- Modified the Public Lands Strategy program in response to public input.

Financial Planning Committee

- Prepared a budget for 2000/2001 with a 2.8% tax increase which was subsequently adopted by Trust Council. The budget included a third full time position for Islands Trust Fund;
- Adopted a five year Financial Plan as required by legislation beginning in 2001; and
- In conjunction with the Local Planning Committee, reviewed the implications of a staff time allocation model. The Committee's focus was on establishing the link between the model and the budget process.

ISLANDS TRUST FUND BOARD

The Trust Fund Board works with interested landowners and conservation groups to protect significant natural and cultural areas within the Islands Trust Area. The Board establishes nature reserves on significant lands donated to it, holds conservation covenants on private properties that contain key features and values, and provides information to the public about land stewardship and conservation options.

- The membership on the Board did not change in 2000/2001.

- The Trust Fund Board completed acquisition of a new nature sanctuary of 15 hectares on Galiano Island containing a critical cormorant nesting site and a large area of older Coastal Douglas-fir.
- The Trust Fund established new covenants for protection of special features.
- The Trust Fund Board, with Trust Council, identified existing information about the natural values on Crown lands as part of the Public Lands Strategy program.

Properties Held in Trust by Trust Fund Board

Singing Woods Nature Reserve, Bowen Island (1999)
Inner Island Nature Reserve, Denman Island (1993)
Coats Millstone Nature Reserve, Gabriola Island (1993)
Trincomali Nature Sanctuary, Galiano Island (2001)
Kwel Sanctuary, Lasqueti Island (1997)
Medicine Beach Nature Sanctuary (1995)
C. Cunningham Nature Reserve (1994)
Deep Ridge Nature Reserve (1993)
Lower Mt. Erskine Nature Reserve (1996)

Conservation Covenants on Private Lands

South Winchelsea Island

McIntyre Covenant, Bowen Island (1999)
Terminal Creek North Covenant, Bowen Island (1999)
Terminal Creek South Covenant, Bowen Island (1999)
Reid Chapman Covenant, Gabriola Island (1999)
Green Frog Farm Covenant, Galiano Island (2001)
Longini Covenant, Galiano Island (2001)
Retreat Island Covenant, Galiano Local Trust Area (1999)
Ledingham Covenant, North Pender Island (1999)
Dennis Covenant, North Pender Island (1999)
Brooks Point Covenant, South Pender Island (2000)
Enchanted Forest Covenant, South Pender Island (1993)
South Winchelsea Island Covenant, Executive Group Local Trust Area (1998)
C. Cunningham Covenant, Salt Spring Island (1994)
Scott Covenant, Salt Spring Island (1992)
Tate Covenant, Salt Spring Island (1997)
Strand - Dohan Covenant, Saturna Island (2000)
Floating Cattails Marsh Covenant, Saturna Island (2000)

ADMINISTRATION

- Established Wide Area Network (WAN) between Victoria, Ganges and Gabriola offices to facilitate efficient sharing of data and computer system maintenance.
- Established a full service branch office on Gabriola Island.
- Rolled out our TAPIS (Trust Area Property Information Systems) planning/mapping database, designed primarily by in-house staff resources.
- Recruited eight staff positions, including one due to retirement, two new positions, one due to promotion, and five due to staff turnover.

LOCAL TRUST COMMITTEES

There is a local trust committee for each group of islands designated as a local trust area by regulation under the *Islands Trust Act*. A local trust committee is responsible for advancing the object of the *Act* through land use planning and regulation for its area of jurisdiction.

Bowen Island - Islands Trust staff will continue to provide planning services to the island municipality, until December, 2002. The Land Use Bylaw was completed and a Snug Cove Task Force formed to examine issues in the Cove.

Denman Island – The OCP review process continued. Enforcement of Development Permit requirements on private forest lands remained a major focus.

Gabriola Island – The treaty offer involving 20% of the Gabriola Island land base and implications for local planning regulations was the main focus of land use issues.

Galiano Island – Road network planning and Land Use Bylaw follow up were the main activities.

Gambier Island –The draft OCP for Gambier Island and Keats Island continued.

Hornby Island – A draft of the revised OCP was completed and submitted to the public for comment.

Lasqueti Island – The community began a land use bylaw review of guest cottage provisions and density of residences on Agricultural Land Reserve lands.

Mayne Island – OCP amendments on an ecological zone, amenity zoning guidelines and transfer of development rights were the major focus of activity.

North Pender Island – Amendments to the Land Use Bylaw were underway.

Salt Spring Island - The land use bylaw review continued. Drinking water guidelines became a major interest.

Saturna Island – The OCP review with agencies and the public concluded with a Public Hearing in December 2000 and the national park proposal required process clarification and negotiation.

South Pender Island – An OCP review was initiated.

Thetis Island - A review of the Thetis Island OCP was initiated.

Executive Committee Islands – The Executive Committee adopted a new bylaw to guide meeting procedures when it acts as a Local Trust Committee. The Ballenas and Winchelsea Islands were included within the Mount Arrowsmith Biosphere Reserve, designated in November 2000.

THE ISLANDS TRUST

Audited Financial Statements

Year ended March 31, 2001

		Page
Financial Reporting Responsibility		1
Auditors' Report		2
Statements		
A	Consolidated Statement of Financial Position	3
B	Consolidated Statement of Financial Activities	4
C	Consolidated Statement of Changes in Financial Position	5
D	General Revenue Fund	6
E	Capital Fund	7
Notes to Financial Statements		8

FINANCIAL REPORTING RESPONSIBILITY

The accompanying statements of The Islands Trust (the "Trust") are the responsibility of management. To ensure their integrity, objectivity and reliability, management has selected appropriate accounting policies that are consistent with generally accepted accounting principles for local governments as recommended by the Public Sector Board of the Canadian Institute of Chartered Accountants. The financial statements necessarily include some amounts that are based on estimates and the judgment of management with appropriate consideration to materiality.

The Trustís accounting systems and related internal controls and supporting procedures are designed and maintained to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorized use or disposition. The procedures include training and selection of qualified staff, the establishment of an organizational structure that provides a well defined division of responsibilities, accountability for performance and communication of standards of business conduct.

The Trust Council, acting through its Financial Planning and Audit Committees, oversees managementís responsibilities for the financial reporting and internal control systems. The Committees meet periodically with management and the independent auditors to satisfy themselves that managementís responsibilities are properly discharged, to review the consolidated financial statements and to recommend approval of the consolidated financial statements to Trust Council.

The Ministry of Municipal Affairs conducts examinations and makes such inquiries as may be deemed necessary to ensure that the provisions of the appropriate legislation are being duly observed and that the Trust is in sound financial condition.

KPMG LLP, Chartered Accountants, the independent auditors appointed by the Trust have examined these financial statements and issued their report which follows. The auditors have full and unrestricted access to the Council to discuss their audit and their related findings as to the integrity of the financial reporting process.

_____

Executive Director

kpmg

KPMG LLP
Chartered Accountants
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7

Telephone (250) 480-3500
Telefax (250) 480-3539
www.kpmg.ca

AUDITORS' REPORT TO THE TRUSTEES OF THE ISLANDS TRUST

We have audited the consolidated statement of financial position of The Islands Trust as at March 31, 2001 and the consolidated statements of financial activities and changes in financial position and the statements of the general revenue fund and capital fund for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Victoria, Canada

May 11, 2001

THE ISLANDS TRUST

Consolidated Statement of Financial Position **Statement A**

March 31, 2001, with comparative figures for 2000

	2001	2000
Financial Assets		
Cash and short-term investments (note 2)	$ 1,573,828	$ 1,252,140
Accounts receivable	73,509	84,542
Prepaid expenses	17,627	14,980
	1,664,964	1,351,662
Liabilities		
Accounts payable and accrued liabilities	679,474	374,666
Unearned revenue	6,387	6,550
Employee benefit obligations (note 3)	104,172	100,149
	790,033	481,365
Net financial assets	874,931	870,297
Physical assets (note 4)	473,020	423,311
Net position	$ 1,347,951	$ 1,293,608
Islands Trust Position		
Capital Fund balance and equity in capital assets (Statement E)	$ 473,020	$ 423,311
General Revenue Fund balance (Statement D) (note 5)	874,931	870,297
Total Islands Trust position	$ 1,347,951	$ 1,293,608

Commitments (note 7)
Contingency (note 8)

See accompanying notes to financial statements.

Approved by the Trust Council:

_____ Trustee _____ Trustee

THE ISLANDS TRUST

Consolidated Statement of Financial Activities **Statement B**

Year ended March 31, 2001, with comparative figures for 2000

	Actual 2001	Budget 2001	Actual 2000
Revenue:			
Property tax - general	$ 2,685,674	$ 2,685,673	$ 2,894,185
Property tax levy - Bowen municipality	67,765	67,765	-
Planning contract - Bowen municipality	338,087	338,087	-
Provincial grant	352,000	352,000	351,715
Community planning grants	35,943	53,400	27,252
Fees and sales	95,294	100,000	99,890
Interest and other	212,745	168,725	82,107
	3,787,508	3,765,650	3,455,149
Expenditure (note 6):			
Council services	950,563	992,940	878,117
Local services	2,414,765	2,487,467	2,364,296
Trust Fund services	309,411	310,473	219,264
	3,674,739	3,790,880	3,461,677
Excess (deficiency) of revenue over expenditure	112,769	(25,230)	(6,528)
Opening balance, Islands Trust position	1,293,608	1,293,608	1,688,470
Decrease in equity, due to disposals	(58,426)	-	(388,334)
Closing balance, Islands Trust position	$ 1,347,951	$ 1,268,378	$ 1,293,608

See accompanying notes to financial statements.

THE ISLANDS TRUST

Consolidated Statement of Changes in Financial Position **Statement C**

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditure	$ 112,769	$ (6,528)
Increase in net financial assets other than cash	208,919	27,868
Increase in cash	321,688	21,340
Cash and short-term investments, beginning of year	1,252,140	1,230,800
Cash and short-term investments, end of year	$ 1,573,828	$ 1,252,140

See accompanying notes to financial statements.

THE ISLANDS TRUST

General Revenue Fund **Statement D**

Year ended March 31, 2001, with comparative figures for 2000

	Actual 2001	Budget 2001	Actual 2000
Revenue:			
Property tax - general	$ 2,685,674	$ 2,685,673	$ 2,894,185
Property tax levy - Bowen municipality	67,765	67,765	-
Planning contract - Bowen municipality	338,087	338,087	-
Provincial grant	352,000	352,000	351,715
Community planning grants	35,943	53,400	27,252
Fees and sales	95,294	100,000	99,890
Interest and other	212,745	168,725	82,107
	3,787,508	3,765,650	3,455,149
Expenditure:			
Council services	950,563	992,940	878,117
Local services	2,414,765	2,487,467	2,271,221
Trust Fund services	309,411	310,473	219,264
	3,674,739	3,790,880	3,368,602
Excess (deficiency) of revenue over expenditure	112,769	(25,230)	86,547
Net transfers to Capital Fund	(108,135)	(108,135)	(93,075)
Change in fund balance	4,634	(133,365)	(6,528)
Opening balance	870,297	870,297	876,825
Closing balance (note 5)	$ 874,931	$ 736,932	$ 870,297

See accompanying notes to financial statements.

THE ISLANDS TRUST

Capital Fund **Statement E**

Year ended March 31, 2001, with comparative figures for 2000

	Actual 2001	Budget 2001	Actual 2000
Net transfers from General Revenue Fund	$ 108,135	$ 108,135	$ 93,075
Opening balance	423,311	423,311	718,570
Decrease in equity due to disposals	(58,426)	-	(388,334)
Closing balance	$ 473,020	$ 531,446	$ 423,311

See accompanying notes to financial statements.

THE ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2001

The Islands Trust (the "Trust") is incorporated under The Islands Trust Act of British Columbia (as amended in 1989). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

For financial reporting purposes, the Trust and The Islands Trust Fund are reported on separately. These financial statements present the financial position and results of operations of the Trust.

1. **Significant accounting policies:**

The financial statements of the Trust are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Trust are as follows:

(a) Reporting entity:

The financial statements reflect the assets, liabilities, revenues, expenditures, and changes in fund balances and in financial position of the reporting entity.

(b) Basis of accounting:

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues, and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) Fund accounting:

Funds within the financial statements consist of the general revenue and capital funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

(d) Investments:

Investments are recorded at cost.

(e) Physical assets:

Physical assets, whether purchased outright or financed by long-term debt or lease, are capitalized on the consolidated statement of financial position. Payments for physical assets or for the related financing thereon are treated as operating expenditures with an appropriate credit to equity in capital assets. Donated physical assets are carried at appraised market value at the time of donation.

(f) Community planning grants: Planning grant revenue is recorded on the accrual basis to match the grant revenue against the related expenditures.

THE ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2001

1. **Significant accounting policies (continued):**

(g) Depreciation:

In accordance with a direction from the Ministry of Municipal Affairs, no depreciation is recorded on physical assets.

(h) Reserves:

The reserve accounts (note 5) are non-statutory reserves established at the discretion of the Trust Council.

(i) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the period. Actual results could differ from those estimates.

2. **Cash and short-term investments:**

	2001	2000
Bank account balances	$ 85,226	$ 70,371
Term investments	1,475,475	1,169,185
Cash restricted for pre-retirement leave	13,127	12,584
	$ 1,573,828	$ 1,252,140

3. **Employee benefit obligations:**

	2001	2000
Vacation	$ 70,697	$ 72,876
Compensatory time off	20,348	14,689
Pre-retirement leave plan	13,127	12,584
	$ 104,172	$ 100,149

THE ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2001

3. Employee benefit obligations (continued):

Employee benefits obligations represent accrued benefits as at March 31, 2001.

Included in employee benefit obligations is a pre-retirement leave plan which was transferred to the Trust by the Superannuation Commission of the Province of British Columbia. Management considers the assets of the plan to be adequate to cover its obligations.

4. Physical assets:

	2001	2000
Office furniture and equipment	$ 459,106	$ 413,311
Denman Island Old School Site	10,000	10,000
Leasehold improvements	3,914	-
	$ 473,020	$ 423,311

Denman Island Old School Site:

In 1993/94 the Denman Island Old School Site was sold to the Trust for $10,000, which was donated by the Denman Island Ratepayers' Association who, in turn, leased the building from the Trust for 99 years for a total fee of $10. The Trust agreed to facilitate the sale of the school between School District #71 and the Ratepayers' Association and to hold title to the property on behalf of the community.

5. General Revenue Fund:

The General Revenue Fund balance is appropriated as follows:

	Beginning balance	Transactions	Ending balance
Unappropriated balance:			
Surplus	$ 81,636	$ (61,879)	$ 19,757
Appropriated balance - reserve accounts:			
Working Capital Fund	130,000	16,000	146,000
Future expenditures	207,031	27,681	234,712
Capital	100,000	-	100,000
Legal	211,630	70,000	281,630
Operating	140,000	(47,168)	92,832
	788,661	66,513	855,174
General Revenue Fund balance	$ 870,297	$ 4,634	$ 874,931

THE ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2001

6. Expenditures by object:

	2001	2000
Salaries and benefits	$ 2,091,483	$ 1,938,467
Travel/training and recruitment	167,873	151,917
Council and trustee costs	410,862	404,737
Office operations	494,949	489,108
Programs	215,561	203,715
Legal and elections	294,011	223,883
Other	-	49,850
	$ 3,674,739	$ 3,461,677

7. Commitments:

The Trust is committed to leases over rented premises and equipment. Minimum future payments in the next four years are as follows:

	Premises	Equipment
2001	$ 216,149	$ 13,243
2002	169,898	9,523
2003	27,116	-
2004	22,597	-

8. Contingency:

In the normal course of a year, the Trust is faced with lawsuits for damages of diverse natures. At year end, the Trust's estimated exposure in each such liability is not considered to be significant. When claims are paid, as a result of litigation, the expenditures are accounted for in the year of settlement.

9. Pension plan:

The Trust and its employees contribute to the Public Service Pension Plan in accordance with the Pension (Public Service) Act. The Superannuation Commission of the Province of British Columbia administers the Plan, including the payment of pension benefits on behalf of employers employees to whom the Act applies. The Plan is a defined benefit pension plan. The financial position of the Plan is described in the financial statements of the Plan included in the Public Accounts of the Province. The Province of British Columbia has statutory responsibility for any unfunded liability. The most recent actuarial evaluation has determined that the Plan is in a surplus position.

THE ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2001

10. Adoption of public sector accounting recommendations:

Commencing in 2000, the Trust has adopted the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The comparative figures included in these financial statements have been restated to conform with the accounting standards and presentation adopted for the current year.

Audited Financial Statements of

THE ISLANDS TRUST FUND

Year ended March 31, 2001

kpmg

KPMG LLP
Chartered Accountants
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7

Telephone (250) 480-3500
Telefax (250) 480-3539
www.kpmg.ca

AUDITORS' REPORT TO THE MEMBERS

We have audited the balance sheet of The Islands Trust Fund as at March 31, 2001 and statement of changes in fund balance for the year then ended. These financial statements are the responsibility of the Trust Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Fund as at March 31, 2001 and the results of its operations and the changes in its fund balance for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

KPMG LLP

Chartered Accountants

Victoria, Canada

May 11, 2001

THE ISLANDS TRUST FUND

Balance Sheet

March 31, 2001, with comparative figures for 2000

	2001	2000
Assets		
Cash	$ 40,226	$ 29,708
Land (note 1(b))	2,045,903	1,803,497
	$ 2,086,129	$ 1,833,205
Equity		
Fund balance (note 3)	$ 2,086,129	$ 1,833,205

See accompanying notes to financial statements.

Approved by the Trust Fund's Board:

_____ Board member

_____ Board member

THE ISLANDS TRUST FUND

Statement of Changes in Fund Balance

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Balance, beginning of year	$ 1,833,205	$ 1,685,581
Add cash items:		
Donations for Brooks Point property	-	48,753
Donations for McFadden property	-	700
Other donations	8,492	156
Interest	1,725	1,689
Special places	2,004	-
	12,221	51,298
Deduct cash items:		
Brooks Point acquisition payment to Capital Regional District	1,703	57,799
McFadden property acquisition payment to Wild Bird Trust	-	2,700
Mathews Point acquisition contribution	-	175
	1,703	60,674
Balance before non-cash item	1,843,723	1,676,205
Add land donation - Trincomali Nature Sanctuary (note 2)	242,406	157,000
Balance, end of year (note 3)	$ 2,086,129	$ 1,833,205

See accompanying notes to financial statements.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2001

The Islands Trust (the "Trust") is incorporated under the Islands Trust Act of British Columbia (as amended in 1989). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

The Islands Trust Fund (the "Trust Fund") is empowered to accept donations, grants, bequests, etc. and to hold land and other property in compliance with a Trust Fund plan approved by the Ministry of Municipal Affairs.

For financial reporting purposes, the Trust and the Trust Fund are reported on separately. These financial statements present the financial position and changes in fund balance of the Trust Fund.

1. Significant accounting policies:

It is the Trust Fund's policy to follow the same accounting principles as adopted by the Trust, which is to follow accounting principles generally accepted for British Columbia municipalities. The following is a summary of the more significant policies:

(a) Basis of accounting:

Accounting for the Trust Fund is on the accrual basis.

(b) Land:

Land is recorded at its estimated fair market value at the date of donation.

2. Trincomali Nature Sanctuary:

The Trincomali Nature Sanctuary property on Galiano Island was donated to the Trust Fund in February 2001.

3. Fund balance:

The fund balance of the Trust Fund comprises equity in properties owned by the Trust Fund as well as donations that have been received for specific and non-designated acquisition projects. The following indicates the equity in properties owned and the balances (inclusive of interest) held for each acquisition project.

THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2001

3. Fund balance (continued):

Properties owned:

	Acquisition date	2001	2000
Inner Island Nature Reserve, Denman Island	1992	$ 70,000	$ 70,000
Coats Millstone Reserve, Gabriola Island	1994	100,000	100,000
Medicine Beach Marsh, North Pender Island	1996	477,000	477,000
Cunningham Reserve, Salt Spring Island	1994	265,000	265,000
Deep Ridge Reserve, Salt Spring Island	1992	255,000	255,000
Lower Mt. Erskine Nature Reserve, Salt Spring Island	1996	284,000	284,000
Lasqueti Nature Reserve, Lasqueti Island	1997	195,497	195,497
Cates Hill Nature Reserve, Bowen Island	1999	157,000	157,000
Trincomali Nature Sanctuary, Galiano Island	2001	242,406	-
		$ 2,045,903	$ 1,803,497

Properties acquisition funds:

	2001	2000
South & West Salt Spring Conservation	$ 1,527	$ 1,455
Brooks Point property	-	1,669
McFadden property	13,500	12,863
South Winchelsea	7,586	-
Non-designated fund	15,573	13,721
Special places	2,040	-
	$ 40,226	$ 29,708
Total fund balance	**$ 2,086,129**	**$ 1,833,205**

4. Program expenses:

The annual program expenses for the Trust Fund are funded by and reported as part of the Trust in accordance with The Islands Trust Act. The expenses are summarized as follows:

	2001	2000
Programs	$ 219,436	$ 147,338
Board	19,384	10,999
Administration	70,591	60,927
	$ 309,411	$ 219,264